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August 20, 2004

[VIA ELECTRONIC FILING and FIRST CLASS MAIL]

TO THE ATTACHED SERVICE LIST

**RE: IN THE MATTER OF THE PETITION OF NUI UTILITIES, INC.
(d/b/a ELIZABETHTOWN GAS COMPANY) and AGL RESOURCES,
INC. FOR APPROVAL UNDER N.J.S.A. 48:2-51.1 and N.J.S.A. 48:3-10
OF A CHANGE IN OWNERSHIP AND CONTROL
BPU DOCKET NO. GM04070721**

A pre-hearing conference, chaired by Commissioner Frederick F. Butler, was held in the above matter on August 17, 2004, at the Board's offices in Newark. Among those who participated were representatives of the Petitioners, Board Staff, the Ratepayer Advocate, New Jersey Large Energy Users Coalition ("NJLEUC"), which had filed a timely motion for intervention, and Mr. William Potter, on behalf of General Motors, which has not yet moved to intervene or to participate.

The following matters were discussed and, in recognition of the emergent nature of the Petition and the request for expedited consideration, the following expedited schedule was established by Commissioner Butler:

NATURE OF THE CASE

- ? Petitioners NUI Utilities Inc., a wholly owned subsidiary of NUI Corporation, and AGL Resources Inc. ("AGLR") (collectively, "Petitioners") have filed a Petition,

pursuant to N.J.S.A. 48:2-51.1 and 48:2-10 and N.J.A.C. 14:1-5.10, for authorization and approval of the acquisition by AGLR of NUI Corporation, the ultimate parent company of Elizabethtown Gas Company ("ETG"), which will result in the change of control of the stock of NUI Utilities, of which ETG is a Division. Petitioners have requested that this matter be considered on an expedited basis, asserting that "the recent events concerning NUI, NUI's and [NUI] Utilities' overall financial condition, and the recent volatility of natural gas prices (which may put additional pressure on NUI's financial condition), warrant prompt approval. " (Petition at 3).

PARTIES / MOTIONS TO INTERVENE AND/OR PARTICIPATE

- ? Petitioners, Board Staff and the Ratepayer Advocate are parties to this proceeding.
- ? A deadline of August 13, 2004, for the filing of motions to intervene and/or participate was previously established by the Board. Two timely motions were received and not objected to by any party. Commissioner Butler granted NJLEUC's timely motion to intervene and further granted Public Service Electric & Gas Company's timely motion for participant status.
- ? Any requests subsequently received for intervention or participation will be ruled upon by Commissioner Butler after an appropriate opportunity for responses. Any movant who may subsequently be granted intervenor or participant status must abide by the established schedule.

DISCOVERY

- ? Initial Staff discovery has been sent to the Petitioners. Petitioners' responses are due by August 23, 2004.
- ? Initial discovery from all parties is due by August 27, 2004. Petitioners' responses are due by September 7, 2004.
- ? If Petitioners object to any discovery question(s), they should notify the proponent(s) and attempt to resolve the issue(s) within two (2) business days of receipt of said question(s). If the matter cannot be resolved within one (1) business day, Petitioners should initiate a conference call with Advising Senior Deputy Attorney General Wallenstein and all parties, so that an expedited schedule can be established to bring the dispute to Commissioner Butler for resolution.

- ? Discovery conferences are scheduled for September 1 and September 10, 2004 at 10:00 a.m. in Newark (either at the Board or at Petitioners' counsel's offices, to be determined). The purpose of these conferences is to discuss the Petition and the responses to the initial discovery and to allow the parties the opportunity to ask clarifying or follow-up type questions. The Petitioners should have appropriate personnel and documents available at these conferences. Because of the expedited nature of these proceedings, the Petitioners may be asked to provide additional information as may be necessary throughout this proceeding.
- ? If so requested by the parties, an attempt will be made to schedule depositions of the Petitioners' witnesses prior to the hearings.

TESTIMONY

- ? The Petitioners have submitted pre-filed direct testimony with their Petition.
- ? All other parties who intend to present witnesses at the hearings shall pre-file their testimony by close of business on September 14, 2004. Because of the expedited schedule, the pre-filed testimony may be in bullet or outline form.
- ? Petitioners shall pre-file rebuttal testimony by close of business on September 17, 2004. Because of the expedited schedule, the pre-filed testimony may be in bullet or outline form.

HEARINGS

- ? Two public hearings have been scheduled for August 31, 2004, at 2:00 p.m. in Woodbridge and at 7:00 p.m. in Flemington.
- ? Evidentiary hearings will be held on September 20, 21 and 23, 2004 at 10:00 a.m. and, if needed, on September 22, 2004 at 1:30 p.m. All evidentiary hearings will be held in the Board's hearing room, 8th Floor, Two Gateway Center, Newark.

BRIEFS

- ? Initial Briefs are due on October 8, 2004.
- ? Reply Briefs are due October 22, 2004.

FINAL DECISION

- ? Based on the above schedule, a Final Decision by the Board is tentatively anticipated during the last week of October 2004, at a Special Agenda Meeting to be scheduled.

OTHER MATTERS

- ? It is anticipated that settlement conferences will be scheduled after the conclusion of the evidentiary hearings.
- ? A confidentiality agreement for discovery shall be finalized as soon as possible, no later than August 23, 2004.
- ? All pleadings, motions, testimony, briefs and discovery questions and responses should be served via e-mail and hard copy pursuant to the directions to be attached to the service lists that are being complied and which will be circulated.

If you have any questions, you may contact me at (973) 648-4846. Thank you all for your anticipated cooperation.

Sincerely yours,

PETER C. HARVEY
ATTORNEY GENERAL OF NEW JERSEY

By:

Helene S. Wallenstein
Senior Deputy Attorney General

HSW:mlm
c: Frederick F. Butler, Commissioner